

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1080 – HB 1098

March 20, 2013

SUMMARY OF ORIGINAL BILL: Exempts vehicles three years old or less from vehicle inspection requirements. Owners of exempted vehicles would still be liable for the smog abatement fee of \$10.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004316): Adds a new subdivision to subsection (h) of the bill that specifies the smog abatement fee will not be required for qualifying vehicles after January 1, 2015.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Revenue - \$695,700/FY14-15
\$1,391,400/FY15-16 and Thereafter

Decrease Local Revenue – \$101,800/FY14-15
\$203,600/FY15-16 and Thereafter

Assumptions for the bill as amended:

- The state retains \$1.80 for each smog abatement test. The smog abatement fee generated approximately \$1,391,352 for the state in FY11-12. Therefore, a recurring decrease in state revenue of \$1,391,352 beginning in FY15-16.
- County Clerks retain \$0.25 for each registration renewal that requires an emissions test. The fee generated approximately \$203,597 for local governments in FY11-12. Therefore, a recurring decrease in local revenue of \$203,597 beginning in FY15-16.
- Due to the effective date of the repeal, the decreases in fee revenue for FY14-15 are estimated to be 50 percent of the fiscal impacts estimated for FY15-16.
- The decrease in state revenue for FY14-15 is estimated to be \$695,676 (\$1,391,352 x 50%); the decrease in local revenue for FY14-15 is estimated to be \$101,799 (\$203,597 x 50%).

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/cce